

Ava L. Schoen, OSB #044072  
Direct Dial: 503.802.2143  
Fax: 503.972.3843  
Email: ava.schoen@tonkon.com  
TONKON TORP LLP  
1600 Pioneer Tower  
888 SW Fifth Avenue  
Portland, OR 97204  
Attorneys for Plaintiff

UNITED STATES DISTRICT COURT  
DISTRICT OF OREGON  
(Portland Division)

ADI ACQUISITION CO., LLC,

Plaintiff,

v.

THEODORE L. VALLAS,

Defendant.

Civil No. 3:18-cv-01871-HZ

**PLAINTIFF'S REBUTTAL WITNESS  
STATEMENTS**

Pursuant to the Court's Trial Management Order [ECF No. 26] and Minute Order [ECF No. 34], Plaintiff ADI Acquisition Co., LLC ("Plaintiff" or "ADI Acquisition") submits the below list of rebuttal witnesses that it may call at trial and their corresponding statements of expected testimony.

As set forth in Plaintiff's Motions in Limine [ECF No. 41], Defendant Theodore L. Vallas ("Defendant" or "Mr. Vallas") failed to submit witness statements or a trial memorandum. In turn, ADI Acquisition does not know what witness testimony Defendant will seek to offer at trial or the relevance of a number of his proposed trial exhibits, which makes it difficult to provide summaries of anticipated rebuttal witness testimony. ADI Acquisition, in

turn, is providing this rebuttal witness list and corresponding summaries primarily in response to the affirmative defenses asserted by Mr. Vallas and reserves its right to file supplementary rebuttal witness statements. To the extent Mr. Vallas is permitted to put on witness testimony that goes beyond the scope of his affirmative defenses (which ADI Acquisition opposes), ADI Acquisition reserves the right to present additional rebuttal witness testimony.

**Michael Fletcher - Summary of expected rebuttal examination testimony:**

Mr. Fletcher is a lawyer at Tonkon Torp, LLP who assisted with representing ADI Acquisition in the sale of its stock in Aerodynamics, Incorporated (“Aerodynamics”) to Carlsbad-Palomar Airlines, Inc. (“CP Air”). Mr. Fletcher assisted with the negotiation and preparation of the Stock Purchase Agreement, Addendum to the Stock Purchase Agreement, Second Addendum to Stock Purchase Agreement, CP Air Promissory Note, and Guaranty of Mr. Vallas (together the “Stock Sale Documents”). Mr. Fletcher was in communication with John Barkley, on behalf of CP Air and Mr. Vallas; Mr. Barkley actively participated in the negotiation and preparation of the Stock Sale Documents, including the Guaranty at issue in this case. For example, before it was finalized, the Guaranty was revised, at Mr. Barkley’s instruction, such that (i) Mr. Vallas was the sole guarantor on the Guaranty and the trust that he purported to be the trustee and/or beneficiary of was not a guarantor and (ii) the community property consent of Mr. Vallas’ wife was removed. By way of another example, Mr. Barkley first drafted the Addendum to the Stock Purchase Agreement.

Mr. Fletcher understood that Mr. Barkley was both a lawyer as well as the Chief Financial Officer for CP Air.

Mr. Fletcher worked closely with Bruce Berning, a now-retired lawyer from Tonkon Torp, LLP, who also assisted in negotiating and preparing the Stock Sale Documents. Mr. Berning shared virtually all of his significant communications related to the Stock Sale Documents with Mr. Fletcher at the time of those communications.

Mr. Fletcher is aware of no time at which ADI Acquisition took advantage of CP Air or Mr. Vallas to negotiate or draft the Stock Sale Documents, or to close the stock sale.

Mr. Fletcher is aware of no substantial time constraints that caused CP Air to sign the Promissory Note or caused Mr. Vallas to sign the Guaranty.

Mr. Fletcher is aware of no facts material to the Stock Sale Documents that were fraudulently concealed from CP Air or Mr. Vallas. So far as Mr. Fletcher knows, all information regarding Aerodynamics' financial status, legal issues, legal fees, and vendor contracts was disclosed to CP Air and Mr. Vallas.

**Terry Canby - Summary of expected rebuttal examination testimony:**

Mr. Canby may testify as a rebuttal witness to any of the information set forth in his Lay Witness Statement. *See* ECF No. 39.

Additionally, Mr. Canby is aware of no time at which ADI Acquisition took advantage of CP Air or Mr. Vallas to negotiate or draft the Stock Sale Documents, or to close the stock sale. Mr. Canby is aware of no substantial time constraints that caused CP Air to sign the Promissory Note or caused Mr. Vallas to sign the Guaranty.

Mr. Canby is aware of no facts material to the Stock Sale Documents that were fraudulently concealed from CP Air or Mr. Vallas. So far as Mr. Canby knows, all information regarding Aerodynamics' financial status, legal issues, legal fees, and vendor contracts was disclosed to CP Air and Mr. Vallas, and Mr. Canby personally assisted in providing that information to Mr. Barkley.

**John Beardsley - Summary of expected rebuttal examination testimony:**

Mr. Beardsley may testify as a rebuttal witness to any of the information set forth in his Lay Witness Statement. *See* ECF No. 39.

Additionally, Mr. Beardsley is aware of no time at which ADI Acquisition took advantage of CP Air or Mr. Vallas to negotiate or draft the Stock Sale Documents, or close the stock sale. Mr. Beardsley is aware of no substantial time constraints that caused CP Air to sign the Promissory Note or caused Mr. Vallas to sign the Guaranty.

Mr. Beardsley is aware of no facts material to the Stock Sale Documents that were fraudulently concealed from CP Air or Mr. Vallas. So far as Mr. Beardsley knows, all

information regarding Aerodynamics' financial status, legal issues, legal fees, and vendor contracts was disclosed to CP Air and Mr. Vallas.

Samantha Holly - Summary of expected rebuttal examination testimony:

Ms. Holly may authenticate rebuttal exhibits sent by her or Bruce Berning to Mr. Barkley and/or Mr. Vallas.

DATED this 14th day of February, 2020.

TONKON TORP LLP

By s/ Ava L. Schoen

Ava L. Schoen, OSB No. 044072  
Direct Dial: 503.802.2143  
Direct Fax: 503.972.3843  
Email: [ava.schoen@tonkon.com](mailto:ava.schoen@tonkon.com)  
1600 Pioneer Tower  
888 SW Fifth Avenue  
Portland, OR 97204-2099  
Attorneys for Plaintiff

## CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing **PLAINTIFF'S REBUTTAL**

**WITNESS STATEMENTS** on:

Theodore L. Vallas  
Carlsbad-Palomar Airlines, Inc.  
2100 Palomar Airport Road, #222/223  
Carlsbad, CA 920011  
[Vallas1@cox.net](mailto:Vallas1@cox.net)  
[tgallas@gmail.com](mailto:tgallas@gmail.com)

by mailing a copy thereof in a sealed, first-class postage prepaid envelope, addressed to said party's last-known address and depositing in the U.S. mail at Portland, Oregon on the date set forth below; and by causing a copy thereof to be e-mailed to said party at said party's last-known email addresses on the date set forth below.

DATED this 14th day of February, 2020.

TONKON TORP LLP

By s/ Ava L. Schoen

Ava L. Schoen, OSB No. 044072  
Direct Dial: 503.802.2143  
Direct Fax: 503.972.3843  
Email: [ava.schoen@tonkon.com](mailto:ava.schoen@tonkon.com)  
1600 Pioneer Tower  
888 SW Fifth Avenue  
Portland, OR 97204-2099  
Attorneys for Plaintiff

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